People need livelihood, not make-work jobs

An article questioning the wisdom of creating jobs for the sake of it in order to destroy the so-called benefits culture when the financial sector is plundering the British economy.

According to a recent UK survey, four people out of five polled believe the long-term unemployed should be compelled to do (unpaid) community work to qualify for their benefits — an idea known to Americans as workfare, and one that has long been more than a belief on the other side of the Pond. Now that Nick Clegg's alternative vote idea has been well and truly routed, and David Cameron's hand has been strengthened, there is a real possibility of something like this happening. The concept of the undeserving poor is of course one that predates work-fare by a fair few centuries, and was what resulted in a now thankfully long defunct institution known as the workhouse.

The idea that the majority or a large minority of the unemployed are "scroungers" is a mindset that is hard to dispel, but there are distinctly unpleasant consequences of endorsing it. If the unemployed are put to work for a pittance, then real wages are depressed and real jobs lost; the unions have long realised this, which is the major reason they have always opposed such schemes here.

David Cameron's much vaunted "big society", a concept which only he seems to understand, is based on the same philosophy. When he talks about people volunteering, what he really means is working for nothing. A graphic example of that has recently come to light with the revelation that many senior police officers who have been forcibly retired by West Midlands Police have been invited back. As unpaid special constables.

When Margaret Thatcher succeeded James Callaghan as Prime Minister in May 1979, one of her first acts was to award the police a massive pay rise, probably sensing she would need them on her side in the coming confrontation with the unions. It may be now that the police officers who were enthusiastically bashing heads on the anti-G20 protests have a change of heart.

All this is a matter of record and speculation, because what the unemployed need is not jobs but livelihood, indeed, we already have far too many jobs. One of the first things the new administration announced was the axing of 192 quangos. Which begs the question, if we don't need them now, why did we need them before?

Many jobs in the financial sector are a positive drain on the economy; they consist primarily or even solely of shuffling money from A to B, from B to C, and from C back to A. The value of this money may increase – the operative word being may – but even if it does, the real wealth of the economy is not increased. Moving money around does not programme a computer, paint a fence, or grow an ear of corn. This maniacal shuffling of paper is the main reason for the recent worldwide financial collapse. The uselessness, the sheer stupidity of allowing it, was demonstrated graphically in South Korea two years ago in a bizarre experiment in which a parrot outperformed human investors. And last October, the BBC's *Panorama programme* revealed that pension funds are in effect plundered by fund managers. One expert who appeared on the programme, Tom McPhail, made the point that most fund managers fail to beat the market, and that is before fund charges, commissions and other expenses, which begs the question, why do people invest in these funds, and more to the point, why does the government allow them to exist?

So what is the solution? The solution begins by recognising the real problem. What the unemployed need is not jobs but money in their pockets – spending power. Obviously printing money is one answer, but if simply printing money were all it took, Zimbabwe would be one of the richest countries on Earth instead of one of the most desperate. The difference between Britain and Zimbabwe is that in Britain, the shops are full of goods while in Zimbabwe they are half-empty at best. But cheap money is the lifeblood of the economy, any economy. Not cheap money for the speculators and money changers so they can use it to create more debts, but for small businesses, students, pensioners, and the unemployed.

The proof of this pudding is in the eating; in war-time, the government provides a constant flow of cheap money to manufacture ordnance, to transport troops, and so on. At the moment the United States has its troops in numerous countries around the world, and there is never any question raised as to how it can afford this, yet at the the same time, tent cities have sprung up all over America because money can't be found to house the homeless.

Britain is not in quite the same position as the US, in particular it has been subjugated to the *Treaty of Maastricht* which proscribes it from printing money to finance its deficit, although the Bank of England has no qualms or problems with creating credit by Quantitative Easing – gilt edged securities - which are in effect given to the banks to sell to the money changers. If the government would simply create this credit debt-free, it would save billions in interest, something that was recommended by the Economic Research Council as long ago as 1981 in its publication *Government Debt And Credit Creation*, and even then, this was nothing new.

If the Government does not have the will to withdraw from the *Maastricht Treaty*, there are alternative methods of providing finance for public works, reducing public debt and distributing purchasing power to the unemployed such as vouchers, and local currencies. To date neither David Cameron nor anyone in the coalition has given any indication that they are even aware of such alternatives, which means the prospects for those at bottom will continue to look grim as technology continues to replace menial jobs, and create what the David Camerons of this world can only interpret as a vast pool of unemployed who can only be paid provided they are prepared to work, however counterproductive that work may be.

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